



# Adopted in House Comm. on Mar 11, 2010

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LRB096 19186 HLH 38492 a

1 AMENDMENT TO HOUSE BILL 5833

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5833 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Revenue Law of the Civil  
5 Administrative Code of Illinois is amended by changing Section  
6 2505-210 as follows:

7 (20 ILCS 2505/2505-210) (was 20 ILCS 2505/39c-1)

8 Sec. 2505-210. Electronic funds transfer.

9 (a) The Department may provide means by which persons  
10 having a tax liability under any Act administered by the  
11 Department may use electronic funds transfer to pay the tax  
12 liability.

13 (b) Mandatory payment by electronic funds transfer.  
14 Beginning on October 1, 2002, and through September 30, 2010, a  
15 taxpayer who has an annual tax liability of \$200,000 or more  
16 shall make all payments of that tax to the Department by

1 electronic funds transfer. Beginning October 1, 2010, a  
2 taxpayer (other than an individual taxpayer) who has an annual  
3 tax liability of \$20,000 or more and an individual taxpayer who  
4 has an annual tax liability of \$200,000 or more shall make all  
5 payments of that tax to the Department by electronic funds  
6 transfer. Before August 1 of each year, beginning in 2002, the  
7 Department shall notify all taxpayers required to make payments  
8 by electronic funds transfer. All taxpayers required to make  
9 payments by electronic funds transfer shall make those payments  
10 for a minimum of one year beginning on October 1. For purposes  
11 of this subsection (b), the term "annual tax liability" means,  
12 except as provided in subsections (c) and (d) of this Section,  
13 the sum of the taxpayer's liabilities under a tax Act  
14 administered by the Department, except the Motor Fuel Tax Law  
15 and the Environmental Impact Fee Law, for the immediately  
16 preceding calendar year.

17 (c) For purposes of subsection (b), the term "annual tax  
18 liability" means, for a taxpayer that incurs a tax liability  
19 under the Retailers' Occupation Tax Act, Service Occupation Tax  
20 Act, Use Tax Act, Service Use Tax Act, or any other State or  
21 local occupation or use tax law that is administered by the  
22 Department, the sum of the taxpayer's liabilities under the  
23 Retailers' Occupation Tax Act, Service Occupation Tax Act, Use  
24 Tax Act, Service Use Tax Act, and all other State and local  
25 occupation and use tax laws administered by the Department for  
26 the immediately preceding calendar year.

1 (d) For purposes of subsection (b), the term "annual tax  
2 liability" means, for a taxpayer that incurs an Illinois income  
3 tax liability, the greater of:

4 (1) the amount of the taxpayer's tax liability under  
5 Article 7 of the Illinois Income Tax Act for the  
6 immediately preceding calendar year; or

7 (2) the taxpayer's estimated tax payment obligation  
8 under Article 8 of the Illinois Income Tax Act for the  
9 immediately preceding calendar year.

10 (e) The Department shall adopt such rules as are necessary  
11 to effectuate a program of electronic funds transfer and the  
12 requirements of this Section.

13 (Source: P.A. 91-239, eff. 1-1-00; 92-492, eff. 1-1-02.)

14 Section 10. The Illinois Income Tax Act is amended by  
15 changing Section 704A as follows:

16 (35 ILCS 5/704A)

17 Sec. 704A. Employer's return and payment of tax withheld.

18 (a) In general, every employer who deducts and withholds or  
19 is required to deduct and withhold tax under this Act on or  
20 after January 1, 2008 shall make those payments and returns as  
21 provided in this Section.

22 (b) Returns. Every employer shall, in the form and manner  
23 required by the Department, make returns with respect to taxes  
24 withheld or required to be withheld under this Article 7 (i)

1 for each quarter beginning on or after January 1, 2008, and  
2 beginning before January 1, 2011, on or before the last day of  
3 the first month following the close of that quarter and (ii)  
4 for each calendar year beginning on or after January 1, 2011,  
5 on or before January 31 of the following year.

6 (c) Payments. With respect to amounts withheld or required  
7 to be withheld on or after January 1, 2008:

8 (1) Semi-weekly payments. For each calendar year, each  
9 employer who withheld or was required to withhold more than  
10 \$12,000 during the one-year period ending on June 30 of the  
11 immediately preceding calendar year, payment must be made:

12 (A) on or before each Friday of the calendar year,  
13 for taxes withheld or required to be withheld on the  
14 immediately preceding Saturday, Sunday, Monday, or  
15 Tuesday;

16 (B) on or before each Wednesday of the calendar  
17 year, for taxes withheld or required to be withheld on  
18 the immediately preceding Wednesday, Thursday, or  
19 Friday.

20 (2) Semi-weekly payments. Any employer who withholds  
21 or is required to withhold more than \$12,000 in any quarter  
22 of a calendar year is required to make payments on the  
23 dates set forth under item (1) of this subsection (c) for  
24 each remaining quarter of that calendar year and for the  
25 subsequent calendar year.

26 (3) Monthly payments. Each employer, other than an

1 employer described in items (1) or (2) of this subsection,  
2 shall pay to the Department, on or before the 15th day of  
3 each month the taxes withheld or required to be withheld  
4 during the immediately preceding month.

5 (4) Payments with returns. Each employer shall pay to  
6 the Department, on or before the due date for each return  
7 required to be filed under this Section, any tax withheld  
8 or required to be withheld during the period for which the  
9 return is due and not previously paid to the Department.

10 (d) Regulatory authority. The Department may, by rule:

11 (1) If the aggregate amounts required to be withheld  
12 under this Article 7 (other than amounts required to be  
13 withheld under Section 709.5) do not exceed \$1,000 for the  
14 calendar year, permit employers, in lieu of the  
15 requirements of subsections (b) and (c), to file annual  
16 returns due on or before January 31 of the following year  
17 for taxes withheld or required to be withheld during that  
18 calendar year and to pay the taxes required to be shown on  
19 each such return no later than the due date for such  
20 return.

21 (2) Provide that any payment required to be made under  
22 subsection (c)(1) or (c)(2) is deemed to be timely to the  
23 extent paid by electronic funds transfer on or before the  
24 due date for deposit of federal income taxes withheld from,  
25 or federal employment taxes due with respect to, the wages  
26 from which the Illinois taxes were withheld.

1           (3) Designate one or more depositories to which payment  
2           of taxes required to be withheld under this Article 7 must  
3           be paid by some or all employers.

4           (4) Increase the threshold dollar amounts at which  
5           employers are required to make semi-weekly payments under  
6           subsection (c) (1) or (c) (2).

7           (e) Annual return and payment. Every employer who deducts  
8           and withholds or is required to deduct and withhold tax from a  
9           person engaged in domestic service employment, as that term is  
10          defined in Section 3510 of the Internal Revenue Code, may  
11          comply with the requirements of this Section with respect to  
12          such employees by filing an annual return and paying the taxes  
13          required to be deducted and withheld on or before the 15th day  
14          of the fourth month following the close of the employer's  
15          taxable year. The Department may allow the employer's return to  
16          be submitted with the employer's individual income tax return  
17          or to be submitted with a return due from the employer under  
18          Section 1400.2 of the Unemployment Insurance Act.

19          (f) Magnetic media and electronic filing. Any W-2 Form  
20          that, under the Internal Revenue Code and regulations  
21          promulgated thereunder, is required to be submitted to the  
22          Internal Revenue Service on magnetic media or electronically  
23          must also be submitted to the Department on magnetic media or  
24          electronically for Illinois purposes, if required by the  
25          Department.

26          (g) For amounts deducted or withheld after December 31,

1 2009, a taxpayer who makes an election under Section 5-15(f) of  
2 the Economic Development for a Growing Economy Act for a  
3 taxable year shall be allowed a credit against payments due  
4 under this Section for amounts withheld during the first  
5 calendar year beginning after the end of that taxable year  
6 equal to the amount of the credit awarded to the taxpayer by  
7 the Department of Commerce and Economic Opportunity under the  
8 Economic Development for a Growing Economy Act for the taxable  
9 year. The credit may not reduce the taxpayer's obligation for  
10 any payment due under this Section to less than zero. If the  
11 amount of the credit exceeds the total payments due under this  
12 Section with respect to amounts withheld during the calendar  
13 year, the excess may be carried forward and applied against the  
14 taxpayer's liability under this Section in the 5 succeeding  
15 calendar years. The credit shall be applied to the earliest  
16 year for which there is a tax liability. If there are credits  
17 from more than one taxable year that are available to offset a  
18 liability, the earlier credit shall be applied first. This  
19 Section is exempt from the provisions of Section 250 of this  
20 Act.

21 (Source: P.A. 95-8, eff. 6-29-07; 95-707, eff. 1-11-08; 96-834,  
22 eff. 12-14-09.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law."